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NHTSA 01-8677-23

Re: ANPRM on Early Warning Requirements under TREAD Act; Docket No. NHTSA 2001-8677; Notice 1

COMMENTS SUBMITTED BY RECREATION VEHICLE INDUSTRY ASSOCIATION

These comments are submitted by the Recreation Vehicle Industry Association ("RVIA") in response to NHTSA's Advance Notice of Proposed Rulemaking on early warning requirements under the Transportation Recall Enhancement, Accountability, and Documentation Act ("Tread Act").

RVIA is a national trade association that represents the manufacturers and component part suppliers of recreation vehicles ("RVs") including motorhomes, travel trailers, fifth wheel trailers, folding camping trailers and truck campers as well as conversion vehicles ("CVs") including custom van, pickup truck and sport utility vehicle conversions. RVIA's members produce over 95% of all RVs and 85% of all CVs sold in the United States. In all, there are over 50 motorhome manufacturers, close to 100 towable manufacturers and over 50 conversion vehicle manufacturers.

RVIA's comments will focus on the following:

1. RVIA urges that the RV industry be exempt from the early warning reporting requirements because the reporting requirements are unduly burdensome in relation to NHTSA's ability to use the information in a meaningful manner;
2. In the event NHTSA does not exclude the RV industry from the early warning reporting requirements, the requirements should only apply to certain critical vehicle systems;
3. If NHTSA decides to broaden its application of the early warning reporting requirements by covering more than the critical vehicle systems, RVIA requests that only

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the RV chassis and related automotive systems be covered (the living facilities of the RV should be excluded);

4. In the case of a motorhome, the chassis manufacturer should be responsible for any early warning reporting obligations;
5. In the case of a trailer, the trailer manufacturer should be responsible for any early warning reporting obligations;
6. In the case of a conversion vehicle, the incomplete vehicle manufacturer should be responsible for any early warning reporting obligations;
7. Warranty claim data in the RV industry is not a reliable source for discovering possible vehicle safety defects; and
8. To the extent issues are not specifically addressed in these comments, RVIA endorses the comments and expresses the concerns raised by the Alliance of Automobile Manufacturers, the Association of International Automobile Manufacturers and other affected manufacturers on the early warning requirements suggested in the ANPRM.

1. RVIA urges that the RV industry be exempt from the early warning reporting requirements because the reporting requirements are unduly burdensome in relation to NHTSA's ability to use the information in a meaningful manner

RVIA respectfully requests that the RV industry be exempt from the early warning reporting requirements of the Tread Act. This should not be interpreted to mean that the industry does not support NHTSA's effort to learn as early as reasonably possible of safety related defects, only that NHTSA must be careful in balancing the potential benefit against the burden imposed on manufacturers to generate the information. The existing NHTSA defect program has worked well in the RV industry in that it has successfully protected consumers without being unduly burdensome and costly for manufacturers. RVIA believes that almost all recalls affecting RVs were manufacturer-initiated on a voluntary basis, and not implemented as a result of NHTSA inquiries.

Additionally, NHTSA's own Fatal Analysis Reporting System ("FARS") shows RVs to be among the safest types of vehicles on the road, if not the safest. For example, from 1994 through 1999 (the latest years for which statistics are available), FARS data shows there were an average of 97 fatal accidents per year in the United States in which a motorhome was involved. (These numbers include all accidents in which a motorhome was involved regardless of who was responsible for the accident. Under these parameters, a drunk driver of a car who is killed when his car crosses over a yellow line and hits a motorhome head on would be included in the motorhome fatal accident

category.) Over that same period, according to FARS data there were an average of 56,563 fatal accidents per year in the United States involving all types of vehicles.

Although the FARS data for RV towable products cannot be culled as precisely as motorhomes, towable products are involved in very few fatal accidents as well. According to the FARS data, from 1994 through 1999 there were an average of 441 fatal accidents per year in the United States in which a boat trailer, horse trailer, moving trailer, utility trailer or RV trailer was involved. Unfortunately, FARS information does not differentiate among these types of trailers. During that same period, FARS data shows there were an average of 3,885 fatal accidents per year in the United States involving all types of trailing units.

While admittedly, the number of motorhomes and RV trailers on the road is significantly fewer than the total number of passenger vehicles, the number of fatal accidents is remarkably low and evidences a regulatory system that is working well for consumers and the RV industry.

The FARS data is further supported by insurance company data. RVIA has received information from the largest broker in the United States providing specialized insurance for RVs for the past 33 years. Their data shows that in general, motorhomes are safer, and a better insurance risk than private passenger vehicles based on the frequency of accidents as well as the severity of personal injuries sustained.

Furthermore, contrary to the ANPRM (66 Fed. Reg. at 6654), the vast majority of RV companies are small volume manufacturers and “small entities” of 750 or fewer employees as defined in the Small Business Administration’s Small Business Size Regulations. Application of the early warning requirements to the RV industry must entail a detailed analysis under the Regulatory Flexibility Act. Even the few RV manufacturers that exceed 750 employees pale in size and technological sophistication in comparison to automobile manufacturers.

If the early warning requirements are implemented as outlined in the ANPRM, RV manufacturers will have to hire additional staff, purchase new computer hardware and software and train employees solely to deal with this rule. These expenses cannot be distributed over millions of vehicles as in the automotive industry. Many RV manufacturers produce just several hundred vehicles a year. While the volume produced is low, the reporting requirements can be very high because of how RVs are manufactured and warranted, as discussed in detail later in these comments.

Consequently, RVIA believes that after a careful analysis of the cost to the RV industry to comply with the early warning requirements weighed against the potential limited useful information to be obtained, NHTSA must conclude that these requirements are unduly burdensome and should not apply to the RV industry.

2. In the event NHTSA does not exclude the RV industry from the early warning reporting requirements, the requirements should only apply to certain critical vehicle systems

RVIA believes that in developing the early warning requirements, NHTSA should carefully balance the potential benefit of each proposal against the burdens imposed on manufacturers in complying. RVIA further believes that NHTSA should view the early warning program as an enhancement of the existing defect program, not a replacement. As such, NHTSA should focus the early warning requirements on critical vehicle systems. The vehicle systems we propose are brakes, fuel system, occupancy restraints, steering system and tires.

By focusing on these critical vehicle components, NHTSA can achieve its goals while imposing a less significant burden on manufacturers. Over time, as the impact and effectiveness of the requirements are learned, NHTSA can expand the vehicle systems covered if needed. At best, many of the requirements suggested in the ANPRM are extremely costly and unduly burdensome for the RV industry. At worst, the requirements could lead to some manufacturers failing because of the difficulties that must be overcome in order for a small business that produces a low volume of vehicles to comply. RVIA urges NHTSA to carefully consider the facts outlined in these comments in developing a final rule.

3. If NHTSA decides to broaden its application of the early warning reporting requirements by covering more than the critical vehicle systems, RVIA requests that only the RV chassis and related automotive systems be covered (the living facilities of the RV should be excluded)

If NHTSA determines it is necessary for the early warning requirements to encompass additional vehicle systems, RVIA requests that such coverage be limited to the motorhome and trailer chassis and related automotive systems, and that the living facilities of the vehicle be exempted. The intent of the Tread Act is to focus on the vehicular attributes of vehicles. Housing amenities of the RV were not, in our opinion, intended to be covered. To cover living facility components would be unduly burdensome on the manufacturer. RVs are basically houses on wheels. While it is undeniable that the time and expense in reviewing and reporting on remotely potential automotive safety related defects is high, to combine that burden with reporting on household components is overwhelming. NHTSA recognizes that there are some 14,000 parts and components in a passenger car, but this number is very low when compared to RVs. Clearly, if the reporting requirements were this broad, manufacturers would have to hire additional staff, purchase new computer hardware and software programs and train employees to address the requirements of this rule. To compound this situation further, such reporting requirements would certainly lead to double and triple reporting because of the multiple manufacturers and suppliers involved in the RV industry (see comment 4).

Many states recognize that motorhomes are unique vehicles and as a result, treat them differently under certain motor vehicle statutes. For example, in those states where motorhomes are included in the state's motor vehicle lemon law, the overwhelming majority only cover the motorhome chassis, and specifically exclude the vehicle's living facilities.

RVIA recommends a similar approach for early warning requirements, if they are to be extended at all to RVs, by limiting their coverage to the motorhome chassis and related automotive systems.

4. In the case of a motorhome, the chassis manufacturer should be responsible for any early warning reporting obligations

The RV industry operates significantly different than the automotive industry from how the vehicles are manufactured, to the number of warranties involved with the vehicles, to how the vehicles are retailed.

RV manufacturers can be split into two different groups, motorhomes and trailers. Motorhome manufacturers receive an incomplete vehicle chassis from chassis manufacturers consisting of rails, engine, brakes, tires and other automotive related systems. Some of the motorhome chassis manufacturers are Ford, Freightliner, Spartan and Workhorse. The motorhome manufacturer then builds the coach, the "living facilities" on top of the chassis. The motorhome chassis is warranted by the chassis manufacturer and is serviced by the chassis manufacturer's authorized dealers. While some chassis manufacturers allow certain RV dealers to service the chassis, most of the servicing is done through the chassis manufacturer's own dealer network. This is complicated further by the fact that certain components on a chassis may be separately warranted by the component manufacturer. For example, Freightliner may use a Cummins engine in its chassis with an Allison transmission. Typically, the Cummins engine and Allison transmission each have their own respective warranty and must be serviced by their respective dealers. This is vastly different than car warranties, in which the car manufacturer warrants the entire vehicle, with the exception of the tires.

The coach portion of the RV consists of the living facilities. Today's RVs are like condominiums on wheels and have many of the conveniences of home, such as a sofa, dinette, satellite television, stove, microwave, washer/dryer, bathroom facilities and a bedroom. Most of these, or their related components, are separately warranted by the component manufacturer. As a result, the RV owner could receive 50 to 100 warranties, just for the housing portion of the RV. In most cases, the RV dealer services all the housing components.

The early warning reporting obligations in the case of a motorhome should apply, if at all, to the motorhome chassis manufacturer, not the component or coach manufacturer for several reasons. First, as outlined earlier, the motorhome chassis contains the vast

majority of the automotive related systems, including the brakes, fuel and steering systems, and tires. Because these systems are warranted by the chassis manufacturer and serviced by its authorized dealers, who, for the most part, are not RV dealers, the chassis manufacturer receives most of the information outlined in the ANPRM prior to the motorhome manufacturer. As a result, the chassis manufacturer is in the best position to provide early warning information to NHTSA. In many instances, a motorhome manufacturer may not even learn of a possible safety related defect involving the motorhome chassis until notified by the chassis manufacturer. Second, the chassis manufacturers, in general, have a significantly more sophisticated record keeping operation than RV manufacturers. Most RV manufacturers because of their small size do not have a computerized warranty system. Third, most claims involving serious injury or death are brought at least initially against the chassis and coach manufacturer, not the component manufacturer.

5. In the case of a trailer, the trailer manufacturer should be responsible for any early warning reporting obligations

Trailers are typically built as a single stage vehicle. They too, have chassis rails, axles, springs, wheels and tires. The trailer manufacturer also builds the housing portion of the RV on the chassis. Unlike motorhomes, RV trailers do not have engines and transmissions. Trailers are serviced by RV dealers.

In the case of a trailer, the trailer manufacturer is in the best position to be responsible if any early warning reporting requirements are applied to this industry segment.

6. In the case of a conversion vehicle, the incomplete vehicle manufacturer should be responsible for any early warning reporting obligations

The CV industry is even smaller than the RV industry. Certainly, all of the conversion companies are small business entities. RVIA requests NHTSA to carefully balance the potential for relevant and material safety information against any burdens imposed on CV manufacturers to generate such information.

CV manufacturers sell conversion packages to automotive dealers that retail conversion vehicles. The converter receives an incomplete vehicle from DaimlerChrysler, Ford or General Motors. The CV manufacturer adds a conversion package that may include a raised roof, picture windows, captains chairs, televisions, video cassette recorders and a plush interior.

The incomplete vehicle manufacturer warrants the vehicle with the exception of the conversion package. The CV manufacturer warrants the conversion package. However, some of the conversion package components are separately warranted by the component manufacturer. Warranty repairs are usually performed by the automotive dealer. CV manufacturers do not have independent dealers. Most information with regard to critical

vehicle systems is received by the incomplete vehicle manufacturer. As a result, the incomplete vehicle manufacturer is in the best position to be responsible for any early warning reporting requirements.

7. Warranty claim data in the RV industry is not a reliable source for discovering possible vehicle safety defects

Warranty claim data in the RV industry is not a reliable source for discovering possible vehicle safety defects. Many parts that are returned to the component manufacturer for an alleged defect, in fact, are not defective but operate exactly as intended. Furthermore, in many cases it is not clear that the claim may have safety implications.

Because of the small size of the manufacturers involved and the fact that most manufacturers do not have a computerized warranty system, the burden of reviewing warranty claims data far exceeds the extremely limited potential of discovering possible early signs of safety related defects. In the event NHTSA determines to impose early warning requirements on all vehicle components, the amount of information required to be provided would be overwhelming. Warranty data on the 50 to 100 RV components that are separately warranted on each vehicle would be voluminous and further complicated by the fact that the warranty coverage periods vary by motorhome manufacturer and component manufacturer. Moreover, it would be virtually impossible to prevent double and triple reporting, thus grossly exaggerating any potential problem. Following up on these red herrings would be extremely time consuming and costly for NHTSA as well as the companies involved.

This situation is exacerbated by the fact that chassis manufacturers and RV manufacturers tend to change model years on different dates. Chassis manufacturers usually change model year designations in or about September or October, while manufacturers of the final product tend to do so in or about June or July. The result is that many motorhomes are composed of chassis made in one model year, while the RV is made in another model year.

Any warranty data provided to NHTSA would also likely not be current. Many RV dealers often submit to the manufacturer up to a year's worth of warranty claims all at once. Obviously, processing all these claims at once is time consuming and any information gathered as a result would not provide an early warning of a potential safety related defect.

In the ANPRM, NHTSA states it is considering requiring standardization of some warranty codes. This would be another significant burden on the RV industry with little or no benefit to NHTSA for the reasons stated above. The RV industry does not use a standard warranty code system. If standard codes were required, manufacturers that have invested in a warranty program would now have to incur significant reprogramming costs and retrain their employees. Furthermore, the revised system would likely be less

efficient because of the inability to completely customize the system to meet the manufacturer's needs. Even a concept as deceptively simple as standard industrial codes presents complex interpretation questions, with most businesses wondering which of the codes is the least misleading, since none of them clearly apply. If standard codes were required, NHTSA and the public would waste vast amounts of time and energy trying to create and decipher ill-fitting standards, rather than devoting resources to real problems.

In the event NHTSA determines to require reporting of warranty information, RVIA supports the following limitations as suggested by AIAM:

- a) Limit the reporting to claims relating to those vehicle systems that are most likely to involve safety issues. RVIA suggests that the agency focus on the brake, steering, occupant restraint, and fuel systems;
- b) Given the huge volume of warranty claims, the variation in warranty coverage from country-to-country (even for a single manufacturer), time delays in obtaining this data, and the problems associated with differences in language and information management systems, RVIA urges the agency to limit the reporting requirements to U.S. warranty claims;
- c) Information should be submitted on an aggregated basis – copies of individual warranty claims should not be required to be submitted; and
- d) The agency should establish a threshold number or percentage of claims relating to a particular system and model before reporting is required. It may be appropriate to set different thresholds for different systems, given the variation in the number of non-safety claims for each. For example, brake noise is a common warranty claim that rarely reflects the existence of a safety defect.


8. To the extent issues are not specifically addressed in these comments, RVIA endorses the comments and expresses the concerns raised by the Alliance of Automobile Manufacturers, the Association of International Automobile Manufacturers and other affected manufacturers on the early warning requirements suggested in the ANPRM

Rather than provide NHTSA with redundant information, RVIA has focused its ANPRM comments on the unique issues faced by the RV industry. RVIA has not specifically commented on early warning requirements with regard to claims and incidents involving serious injury or death, property damage claims, field reports, consumer complaints, customer satisfaction campaigns, internal investigations, design changes, remedy failures, fuel leaks, fires and rollover, timing issues and confidentiality concerns. On these topics, RVIA supports the comments and concerns raised by the Alliance of Automobile Manufacturers, the Association of International Automobile Manufacturers and other affected manufacturers.

Conclusion

RVIA urges NHTSA to carefully balance the burden of small RV businesses complying with the early warning requirements against the marginal usefulness of the information which could be provided in identifying potential safety related vehicle defects. RVIA believes that this analysis will lead NHTSA to conclude that RVs should be exempted from the early warning requirements. However, in the event NHTSA does not reach that conclusion, any requirements imposed should be focused on critical vehicle systems and only those sources of information capable of producing relevant, material information. The potential criminal liability and civil penalties make it imperative for the requirements to be clearly defined and imposed in a manner that makes compliance practical.

Sincerely,



Bruce A. Hopkins
Vice President, Standards and Education